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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/174

8 October 1962

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events*
21 September - 4 October 1962

After prolonged negotiations an agreement has been concluded for the first direct sale of 10,000 tons of Chilean copper to the USSR.

On 25 September an agreement was signed between the USSR and Cuba providing for the construction of a fishing port in Havana Bay and for technical assistance and cooperation in the development of the Cuban fishing industry. The cost of building and equipping the port facilities, which now are to be completed during 1963, is to be covered by Soviet loans of \$12 million, of which \$6 million to \$7 million will be made available in the form of credits to cover the foreign exchange components and \$6 million in the form of Soviet goods to be sold in Cuba to raise funds to defray local construction costs. Not only are there potentially clear economic benefits to be derived from the new port, but also there is little doubt that the use of the port by Soviet fishing trawlers will enhance Soviet intelligence collection capabilities off US shores.

The presence of 16 surface-to-air (SA-2) and 3 surface-to-surface (coastal-defense) missile sites has now been confirmed in Cuba, and although no specific information on the content of recent Soviet military shipments to Cuba is available, the bulk of these deliveries probably consists of equipment for these missile sites. In addition, Cuba now has between 25 and 30 MIG-21's and 16 Komar-class patrol boats.

The government of Iran has notified the Soviet Government of its decision not to permit the construction of missile bases on Iranian territory by any foreign power. In spite of persistent Soviet efforts to conclude a more comprehensive nonaggression pact with Iran, the USSR accepted the Iranian statement with "satisfaction."

* An unclassified table summarizing the number of academic and technical students from underdeveloped countries trained in the Bloc, January 1956 through June 1962, is included in this issue on p. 11.

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The departure of Syrian and Iraqi military delegations to witness mid-September Soviet army maneuvers suggests that Syria and Iraq may be considering the purchase of more Soviet materiel.

A group of Syrian pilots and technicians is now receiving training in the USSR on MIG-21 jet fighters. Syria probably will receive MIG-21's early next year.

Cameroon, a member of the 12-nation Union Africaine et Malgache (UAM), has signed a trade agreement with the USSR, its first such agreement with a Bloc country. Under the bilateral deal, Cameroon is to supply cocoa beans, timber, and "traditional goods" in return for Soviet machines and equipment, cement, chemical fertilizers, and other commodities. Soviet-Cameroon economic, technical, and cultural agreements were signed at the same time.

Czechoslovakia reportedly is delivering 730 agricultural tractors and other farm machines to Ghana this month under the \$10.4 million Czechoslovak line of credit extended in October 1961. Ghana plans to use the equipment, valued at about \$2.5 million, to set up four farm machine and tractor stations.

On 11 August and 6 September the USSR signed contracts with Indian officials for the supply of equipment and services for two powerplants. The first contract concerned a 200,000-kw thermal electric installation (at Korba in Madhya Pradesh), a part of whose function will be the provision of power to the Bhilai steel plant. The contract signed on 6 September covers the supply of equipment for a 400,000-kw thermal electric plant in Bihar state.

The Chief of Staff of the Yugoslav Air Force has confirmed a report that Yugoslavia will soon receive a small number of MIG-19 and MIG-21 jet fighters.

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Academic and Technical Students from Underdeveloped Countries
 Trained in the Bloc a/*
 January 1956 Through June 1962

<u>Area and Country</u>	<u>Persons</u>	
	<u>Academic Students</u>	<u>Technical Students</u>
Total	<u>9,730</u>	<u>7,495</u>
<u>Latin America</u>	<u>2,240</u>	<u>2,910</u>
Bolivia	95	
Brazil	70	
Cuba	1,700	
Mexico	60	
Other <u>b</u> /	315	
<u>Middle East</u>	<u>3,830</u>	<u>1,960</u>
Iraq	2,500	
Syrian Arab Republic	380	
United Arab Republic	770	
Yemen	100	
Other <u>b</u> /	80	
<u>Africa</u>	<u>2,455</u>	<u>610</u>
Algeria	255	
Cameroon	155	
Ghana	275	
Guinea	430	
Kenya	160	
Mali	165	
Morocco	60	
Nigeria	110	

* Footnotes for the table follow on p. 12.

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Academic and Technical Students from Underdeveloped Countries
 Trained in the Bloc a/
 January 1956 Through June 1962
 (Continued)

<u>Area and Country</u>	<u>Persons</u>	
	<u>Academic Students</u>	<u>Technical Students</u>
<u>Africa (Continued)</u>		
Somali Republic	275	
Sudan	195	
Togo	60	
Uganda	80	
Other <u>b/</u>	235	
<u>Asia</u>	<u>1, 205</u>	<u>2, 015</u>
Afghanistan	50	
Burma	70	
Cambodia	60	
India	195	
Indonesia	690	
Nepal	100	
Other <u>b/</u>	40	

a. Numbers are rounded to the nearest five.

b. Countries from which less than 50 students have been trained in the Bloc are included in the category "Other."

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